# STATE OF CALIFORNIA DEPARTMENT OF MANAGED HEALTH CARE HEALTH CARE SERVICE PLAN

### MONTHLY FINANCIAL REPORTING FORM

1

		1					
1.	FOR THE MONTH ENDING:	January 31, 2004					
2.	Name:	California Dental Network					
3.	File Number:(Enter last three digits) 933-0	286					
4.	Date Incorporated or Organized:	May 5, 1987					
5.	Date Licensed as a HCSP:	May 12, 1988					
6.	Date Federally Qualified as a HCSP:	N/A					
7.	Date Commenced Operation:	May 12, 1988					
8.	Mailing Address:	1971 E 4th Street, Suite 184, Santa Ana, CA 92705					
9.	Address of Main Administrative Office:	Same					
10.	Telephone Number:	(717)479-0777					
11.	HCSP's ID Number:	93-0954061					
12.	Principal Location of Books and Records:	Same					
13.	Plan Contact Person and Phone Number:	Stephen R. Casey (714)479-0777					
14.	Financial Reporting Contact Person and Phone Number:	Same					
15.	President:*	Stephen R. Casey					
16.	Secretary:*	Suzan Lindsey					
17.	Chief Financial Officer:*	Stephen R. Casey					
18.	Other Officers:*	Vice President, CIO: James P Lindsey					
19.		Dental Director: Elizabeth Henderson, DDS					
20.							
21.							
22.	Directors:*	James R. Lindsey					
23.		Stephen R. Casey					
24.		James P. Lindsey					
25.		Suzan Lindsey					
26.							
27.							
28.							
29.							
30.							
31.							
	The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.						
32.	President	signature)					
33.	Secretary	signatures required (please type for valid signature)					
_							

\* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous

Check My Work.

If this is a revised filing, check here and complete question 4 on

36. If all dollar amounts are reported in thousands (000), check here

34. Chief Financial Officer

statement.

35. Page 2:

# STATE OF CALIFORNIA DEPARTMENT OF MANAGED HEALTH CARE HEALTH CARE SERVICE PLAN

# MONTHLY FINANCIAL REPORTING FORM

# SUPPLEMENTAL INFORMATION

			1
1	Are footnote disclosures attached with this filing?	Yes	₩
2	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No	<u>-</u>
3	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No	<b>T</b>
4	If this is a revised reporting form, what is/are the reason(s) for the revision?		

#### REPORT #1 ---- PART A: ASSETS

	1	2
IDDENT	ACCETC.	Cumment Davie d
KKENI 1.	ASSETS:	Current Period 89,65
2.	Cash and Cash Equivalents Short-Term Investments	97
3.	Premiums Receivable - Net	103,80
3. 4.	Interest Receivable	103,00
5.	Shared Risk Receivables - Net	
6.	Other Health Care Receivables - Net	
		206.20
7. 8.	Prepaid Expenses Secured Affiliate Receivables - Current	206,20
9.	Unsecured Affiliate Receivables - Current	
10.	Aggregate Write-Ins for Current Assets	99,1
11.	TOTAL CURRENT ASSETS (Items 1 to 10)	499,8
11.	TOTAL CURRENT ASSETS (REIB 1 to 10)	477,0
HER AS	SSETS:	
12.	Restricted Assets	50,0
13.	Long-Term Investments	
14.	Intangible Assets and Goodwill - Net	145,3
15.	Secured Affiliate Receivables - Long-Term	1.0,0
16.	Unsecured Affiliate Receivables - Past Due	
17.	Aggregate Write-Ins for Other Assets	
18.	TOTAL OTHER ASSETS (Items 12 to 18)	195,3
		2,2,2
OPERT	Y AND EQUIPMENT	
19.	Land, Building and Improvements	
20.	Furniture and Equipment - Net	13,2
21.	Computer Equipment - Net	17,1
22.	Leasehold Improvements -Net	13
23.	Construction in Progress	
24.	Software Development Costs	
25.	Aggregate Write-Ins for Other Equipment	
26.	TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	30,5
27.	TOTAL ASSETS	725,6
TAILS (	OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001.	Supplies Inventory	4,6
1002.	Accounts Receivable - FADP	94,0
1003.	Other Receivables - Net	4
1004.	Accounts Receivable - Commission Advance	
1098.	Summary of remaining write-ins for Item 10 from overflow page	
1099.	TOTALS (Items 1001 thru 1004 plus 1098)	99,1
	(11112 (11112 100 p.111 10	
TAILS (	OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701.	WALLE IN MOREONIED IN THE INTO TOROUGH IN MODELLO	
1701.		
1703.		
1703. 1704.	Summary of remaining write, ins for Item 17 from overflow page	
1703. 1704. 1798.	Summary of remaining write-ins for Item 17 from overflow page	
1703. 1704.	Summary of remaining write-ins for Item 17 from overflow page TOTALS (Items 1701 thru 1704 plus 1798)	
1703. 1704. 1798. 1799.	TOTALS (Items 1701 thru 1704 plus 1798)	
1703. 1704. 1798. 1799.	, , ,	
1703. 1704. 1798. 1799. 2TAILS (2501.	TOTALS (Items 1701 thru 1704 plus 1798)	
1703. 1704. 1798. 1799. 2501. 2502.	TOTALS (Items 1701 thru 1704 plus 1798)	
1703. 1704. 1798. 1799. 2501. 2502. 2503.	TOTALS (Items 1701 thru 1704 plus 1798)	
1703. 1704. 1798. 1799. 2501. 2502.	TOTALS (Items 1701 thru 1704 plus 1798)	

# REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

	1	2	3	4
			Current Period	
			Non-	
URRENT I	LIABILITIES:	Contracting	Contracting	Total
1.	Trade Accounts Payable	31,351	XXX	31,351
2.	Capitation Payable	28,496	XXX	28,496
3.	Claims Payable (Reported)	5,270		5,270
4.	Incurred But Not Reported Claims	5,283		5,283
5.	POS Claims Payable (Reported)	0,200		(
6.	POS Incurred But Not Reported Claims			
7.	Other Medical Liability			
8.	Unearned Premiums	410,815	XXX	410,81
9.	Loans and Notes Payable	0	XXX	110,01
10.	Amounts Due To Affiliates - Current		XXX	
11.	Aggregate Write-Ins for Current Liabilities	38,326	0	38,320
12.	TOTAL CURRENT LIABILITIES (Items 1 to 11)	519,541	0	519,54
THER LIA	•	319,341	O O	319,34
13.	Loans and Notes Payable (Not Subordinated)		XXX	,
14.		307,000	XXX	307,00
15.	Loans and Notes Payable (Subordinated)	307,000	XXX	
	Accrued Subordinated Interest Payable			
16.	Amounts Due To Affiliates - Long Term	4.620	XXX	4.60
17.	Aggregate Write-Ins for Other Liabilities	4,620	XXX	4,620
18.	TOTAL MARK INTERS	311,620	XXX	311,620
19.	TOTAL LIABILITIES	831,161	0	831,16
ET WORT		*****	******	0.50
20.	Common Stock	XXX	XXX	8,500
21.	Preferred Stock	XXX	XXX	
22.	Paid In Surplus	XXX	XXX	606,500
23.	Contributed Capital	XXX	XXX	
24.	Retained Earnings (Deficit)/Fund Balance	XXX	XXX	-720,48
25.	Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	(
26.	TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	-105,48
27.	TOTAL LIABILITIES AND NET WORTH	VVV	XXX	
		XXX		725,674
ETAN CO	EMPIRE DIS ACCRECATED AT MEN 11 FOR CURRENT AND			/25,6/-
	F WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIA	ABILITIES		
1101.	F WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIA Accrued Payroll & Payroll Taxes			22,72
1101. 1102.	Accrued Payroll & Payroll Taxes	ABILITIES 22,723		22,72
1101. 1102. 1103.	Accrued Payroll & Payroll Taxes  Accrued Commissions	22,723 8,549		22,72 8,54
1101. 1102. 1103. 1104.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities	ABILITIES 22,723		22,72 8,54 7,05
1101. 1102. 1103. 1104. 1198.	Accrued Payroll & Payroll Taxes  Accrued Commissions  Other Accrued Liabilities  Summary of remaining write-ins for Item 11 from overflow page	22,723 22,723 8,549 7,054		22,72 8,54 7,05
1101. 1102. 1103. 1104.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities	22,723 8,549	0	22,72 8,54 7,05
1101. 1102. 1103. 1104. 1198.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)	22,723 22,723 8,549 7,054 38,326		22,72 8,54 7,05
1101. 1102. 1103. 1104. 1198. 1199.	Accrued Payroll & Payroll Taxes  Accrued Commissions  Other Accrued Liabilities  Summary of remaining write-ins for Item 11 from overflow page	22,723 8,549 7,054 38,326	0	22,72 8,54 7,05 38,32
1101. 1102. 1103. 1104. 1198. 1199. ETAILS OI 1701.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)	22,723 22,723 8,549 7,054 38,326		22,72 8,54 7,05 38,32
1101. 1102. 1103. 1104. 1198. 1199.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI	22,723 8,549 7,054 38,326	0	22,72 8,54 7,05 38,32
1101. 1102. 1103. 1104. 1198. 1199. ETAILS OI 1701.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI	22,723 8,549 7,054 38,326	0 XXX	22,72 8,54 7,05 38,32
1101. 1102. 1103. 1104. 1198. 1199.  ETAILS OI 1701. 1702.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI	22,723 8,549 7,054 38,326	0 XXX XXX	22,72 8,54 7,05 38,32 4,62
1101. 1102. 1103. 1104. 1198. 1199. ETAILS OI 1701. 1702. 1703.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI	22,723 8,549 7,054 38,326	0 XXX XXX XXX XXX	22,72: (8,54: 7,05: (38,32: 4,62: ()
1101. 1102. 1103. 1104. 1198. 1199. ETAILS OI 1701. 1702. 1703. 1704.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI Deferred Rent	22,723 8,549 7,054 38,326	XXX XXX XXX XXX XXX	22,72 8,54 7,05 38,32 4,62
1101. 1102. 1103. 1104. 1198. 1199. ETAILS OI 1701. 1702. 1703. 1704. 1798. 1799.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI Deferred Rent  Summary of remaining write-ins for Item 17 from overflow page TOTALS (Items 1701 thru 1704 plus 1798)	22,723  8,549 7,054  38,326  LITIES  4,620	XXX XXX XXX XXX XXX	22,72 8,54 7,05 38,32 4,62
1101. 1102. 1103. 1104. 1198. 1199.  ETAILS OI 1701. 1702. 1703. 1704. 1798. 1799.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI Deferred Rent  Summary of remaining write-ins for Item 17 from overflow page	22,723  8,549 7,054  38,326  LITIES  4,620  WORTH ITEMS	XXX XXX XXX XXX XXX XXX	22,72 8,54 7,05 38,32 4,62
1101. 1102. 1103. 1104. 1198. 1199.  ETAILS OI 1701. 1702. 1703. 1704. 1798. 1799.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI Deferred Rent  Summary of remaining write-ins for Item 17 from overflow page TOTALS (Items 1701 thru 1704 plus 1798)	22,723  8,549  7,054  38,326  LITIES  4,620  VORTH ITEMS  XXX	XXX XXX XXX XXX XXX XXX	22,72 8,54 7,05 38,32 4,62
1101. 1102. 1103. 1104. 1198. 1199.  ETAILS OI 1701. 1702. 1703. 1704. 1798. 1799.  ETAILS OI 2501.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI Deferred Rent  Summary of remaining write-ins for Item 17 from overflow page TOTALS (Items 1701 thru 1704 plus 1798)	22,723  8,549  7,054  38,326  LITIES  4,620  VORTH ITEMS  XXX  XXX	0  XXX  XXX  XXX  XXX  XXX  XXX  XXX	22,72 8,54 7,05 38,32 4,62
1101. 1102. 1103. 1104. 1198. 1199.  ETAILS OI 1701. 1702. 1703. 1704. 1798. 1799.  ETAILS OI 2501. 2502.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI Deferred Rent  Summary of remaining write-ins for Item 17 from overflow page TOTALS (Items 1701 thru 1704 plus 1798)	22,723  8,549  7,054  38,326  LITIES  4,620  VORTH ITEMS  XXX  XXX  XXX	0  XXX  XXX  XXX  XXX  XXX  XXX  XXX	22,72 8,54 7,05 38,32 4,62
1101. 1102. 1103. 1104. 1198. 1199.  ETAILS OI 1701. 1702. 1703. 1704. 1798. 1799.  ETAILS OI 2501.	Accrued Payroll & Payroll Taxes  Accrued Commissions Other Accrued Liabilities Summary of remaining write-ins for Item 11 from overflow page TOTALS (Items 1101 thru 1104 plus 1198)  F WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABI Deferred Rent  Summary of remaining write-ins for Item 17 from overflow page TOTALS (Items 1701 thru 1704 plus 1798)	22,723  8,549  7,054  38,326  LITIES  4,620  VORTH ITEMS  XXX  XXX	0  XXX  XXX  XXX  XXX  XXX  XXX  XXX	22,72 8,54 7,05 38,32 4,62

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	REPORT #2: REVENUE, EXPENSES AND NET V	1	2
		Current Period	Year-To-Date
		Current Feriod	Tear-10-Date
EVENUES:	•		
	Premiums (Commercial)	224,215	
	Capitation	227,213	
	Co-payments, COB, Subrogation		
	· · · · · · · · · · · · · · · · · · ·		
	Title XVIII - Medicare Title XIX - Medicaid		
	Fee-For-Service		
	Point-Of-Service (POS)	601	
	Interest	681	
	Risk Pool Revenue		
	Aggregate Write-Ins for Other Revenues	6,771	
	TOTAL REVENUE (Items 1 to 10)	231,667	
PENSES:			
Medical an	d Hospital		
	Inpatient Services - Capitated		
	Inpatient Services - Per Diem		
14. I	Inpatient Services - Fee-For-Service/Case Rate		
15. I	Primary Professional Services - Capitated	108,089	
16. I	Primary Professional Services - Non-Capitated	480	
17. (	Other Medical Professional Services - Capitated		
	Other Medical Professional Services - Non-Capitated	7,841	
	Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	,	
	POS Out-Of-Network Expense		
	Pharmacy Expense - Capitated		
	Pharmacy Expense - Fee-for-Service		
	Aggregate Write-Ins for Other Medical and Hospital Expenses	114	
	TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	116,524	
Administra	,	110,524	
	Compensation	46,612	
	•	1,369	
	Interest Expense Occupancy, Depreciation and Amortization	5,004	
		3,004	
	Management Fees	12.456	
	Marketing	43,456	
	Affiliate Administration Services	20.1.0	
	Aggregate Write-Ins for Other Administration	30,168	
32.	TOTAL ADMINISTRATION (Items 25 to 31)	126,609	
33.	TOTAL EXPENSES	243,133	
	INCOME (LOSS)	-11,466	
35. I	Extraordinary Item		
	Provision for Taxes		
37. 1	NET INCOME (LOSS)	-11,466	
T WORTI	H:		
38. 1	Net Worth Beginning of Period	-94,021	
39.	Audit Adjustments		
	Increase (Decrease) in Common Stock		
	Increase (Decrease) in Preferred Stock		
	Increase (Decrease) in Paid in Surplus		
	Increase (Decrease) in Contributed Capital		
	Increase (Decrease) in Retained Earnings:		
	Net Income (Loss)	-11,466	
	Dividends to Stockholders	-11,400	
	Aggregate Write-Ins for Changes in Retained Earnings	0	
48. <i>I</i>	Aggregate Write-Ins for Changes in Other Net Worth Items	-105,487	

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2	3
		Current Period	Year-to-Date
DETAILS	OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES	Current i criod	Tom to Bute
1001.	Other Revenue	6,771	
1001.	Office Revenue	0,771	
1002.			
1003.			
1004.			
1006.	0 0 11 11 0 7 100		
1098.	Summary of remaining write-ins for Item 10 from overflow page	6,771	
1099.	TOTALS (Items 1001 thru 1006 plus 1098)	0,771	
	OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EX		
2301.	Other	114	
2302.			
2303.			
2304.			
2305.			
2306.			
2398.	Summary of remaining write-ins for Item 23 from overflow page		
2399.	TOTALS (Items 2301 thru 2306 plus 2398)	114	
3101. 3102. 3103. 3104. 3105.	Bank Charges Insurance Postage Telephone Office Expense	1,193 8,675 717 439 2,260	
3106.	Other	16,884	
3198.	Summary of remaining write-ins for Item 31 from overflow page		
3199.	TOTALS (Items 3101 thru 3106 plus 3198)	30,168	
4701. 4702.	OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4703.			
4704.			
4705.			
4706.			
4798.	Summary of remaining write-ins for Item 47 from overflow page		
4799.	TOTALS (Items 4701 thru 4706 plus 4798)	0	
<b>DETAILS</b> 4801.	OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH IT	EMS	
4802.			
4803.			
4804.			
4805.			
4806.			
4898.	Summary of remaining write-ins for Item 48 from overflow page		
4899.	TOTALS (Items 4801 thru 4806 plus 4898)	0	
マロノノ.	1011110 (110110 TOO1 tillu TOO0 plus TO/0)	U	

# REPORT #3: STATEMENT OF CASH FLOWS

	1	2	3
		Current Period	Year-to-Date
CASH FLO	OW PROVIDED BY OPERATING ACTIVITIES	Current reriou	T car-to-Date
1.	Group/Individual Premiums/Capitation	197,867	
2.	Fee-For-Service	157,007	
3.	Title XVIII - Medicare Premiums		
4.	Title XIX - Medicaid Premiums		
5.	Investment and Other Revenues	7,459	
6.	Co-Payments, COB and Subrogation	.,	
7.	Medical and Hospital Expenses	-114,941	
8.	Administration Expenses	-125,054	
9.	Federal Income Taxes Paid		
10.	Interest Paid		
11.	NET CASH PROVIDED BY OPERATING ACTIVITIES	-34,669	(
CASH FLO	OW PROVIDED BY INVESTING ACTIVITIES		
12.	Proceeds from Restricted Cash and Other Assets	0	
13.	Proceeds from Investments		
14.	Proceeds for Sales of Property, Plant and Equipment		
15.	Payments for Restricted Cash and Other Assets	0	
16.	Payments for Investments		
17.	Payments for Property, Plant and Equipment	-1,057	
18.	NET CASH PROVIDED BY INVESTING ACTIVITIES	-1,057	(
CASH FLO	OW PROVIDED BY FINANCING ACTIVITIES:		
19.	Proceeds from Paid in Capital or Issuance of Stock		
20.	Loan Proceeds from Non-Affiliates		
21.	Loan Proceeds from Affiliates	-2,285	
22.	Principal Payments on Loans from Non-Affiliates		
23.	Principal Payments on Loans from Affiliates	0	
24.	Dividends Paid		
25.	Aggregate Write-Ins for Cash Provided by Financing Activities	0	(
26.	NET CASH PROVIDED BY FINANCING ACTIVITIES	-2,285	(
27.	NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	-38,011	(
28.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH	127,670	
29.	CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	89,659	(
RECONCI	LIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVIT	IES:	
30.	Net Income	-11,466	(
Adjustm	ents to Reconcile Net Income to Net Cash Provided by Operating Activities		
31.	Depreciation and Amortization	1,326	
32.	Decrease (Increase) in Receivables	-16,294	
33.	Decrease (Increase) in Prepaid Expenses	-6,176	
34.	Decrease (Increase) in Affiliate Receivables		
35.	Increase (Decrease) in Accounts Payable		
36.	Increase (Decrease) in Claims Payable and Shared Risk Pool		
37.	Increase (Decrease) in Unearned Premium	-10,046	
38.	Aggregate Write-Ins for Adjustments to Net Income	7,988	(
39.	TOTAL ADJUSTMENTS (Items 31 through 38)	-23,202	(
40.	NET CASH PROVIDED BY OPERATING ACTIVITIES	-34,668	(
	(Item 30 adjusted by Item 39 must agree to Item 11)		
DETAILS	OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FIN	ANCING ACTIVI	TIES
2501.			
2502.			
2503.			
2598.	Summary of remaining write-ins for Item 25 from overflow page		
	TOTALS (Items 2501 thru 2503 plus 2598)	0	(
DETAILS	OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOM		
3801.	Inventory	2,014	
3802.	Prepaid Expenses	-2,603	
	• •		
3803.	Other Accrued Liabilities	8,577	
3898.	Summary of remaining write-ins for Item 38 from overflow page	7.000	
3899.	TOTALS (Items 3801 thru 3803 plus 3898)	7,988	(

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#### REPORT #4: ENROLLMENT AND UTILIZATION TABLE

#### TOTAL ENROLLMENT

TOTAL ENROLLMENT											
1	2	3	4	5	6	Total Member A	Ambulatory Encour	nters for Period	10	11	12
					Cumulative						
					Enrollee				Total Patient	Annualized	Average
	Total Enrollees At End of	Additions During	Terminations During		Months for	7	8	9	Days	Hospital	Length of
Source of Enrollment	Previous Period	Period	Period	Period	Period	Physicians	Non-Physicians	Total	Incurred	Days/1000	Stay
Group (Commercial)	10,509	204	0	10,713	10,713			0		0	
2. Medicare Risk				0				0			
3. Medi-Cal Risk				0				0			
4. Individual	20,397	1,036	1,357	20,076	20,076			0		0	
5. Point of Service				0				0			
6. Aggregate write-ins for Other	0	0	0	0	0	0	0	0	0		
7. Total Membership	30,906	1,240	1,357	30,789	30,789	0	0	0	0	0	
DETAILS OF WRITE-INS AGGRE	GATED AT ITEM 6 FOR	OTHER SOURCES OF	FENROLLMENT								
601. Small Group				0				0			
602. Healthy Families				0				0			
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for				0				0			
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus 699, 698) (Line 6 above)	0	0	0	0	0	0	0	0	0		
099. 098) (Line o above)	1	U	U	Ü	U	U	U	U	U		

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## KNOX-KEENE SUPPLEMENTAL INFORMATION PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2

	1 CRSC/1111	10	BECTION	5 1500.04.00 AND 1500.04.2		
			1			2
1.	Net Equity				\$	-105,487
2.	Add: Subordinated Debt				\$	307,000
3.	Less: Receivables from officers, directors, and affiliates				\$	
	Intangibles				\$	145,312
5.	Tangible Net Equity (TNE)				\$	56,201
6.	Required Tangible Net Equity (See Below)				\$	53,812
7.	TNE Excess (Deficiency)				\$	2,389
			Full Service Plans			Specialized Plan
A.	Minimum TNE Requirement	\$	1,000,000	Minimum TNE Requirement	\$	50,000
B.	REVENUES:					
8.	2% of the first \$150 million of annualized premium revenues	\$		2% of the first \$7.5 million of annualized premium revenue	\$	53,812
	Plus			Plus		
9.	1% of annualized premium revenues	Φ		1% of annualized premium revenue in	Φ.	
	in excess of \$150 million	\$		excess of \$7.5 million	\$	
10.	Total	\$	0	Total	\$	53,812
c.	HEALTHCARE EXPENDITURES:					
11.	8% of the first \$150 million of annualized			8% of the first \$7.5 million of annualized		
	health care expenditures, except those paid on a capitated or managed hospital basis.	\$		health care expenditures, except those paid on a capitated or managed hospital basis.	\$	7,527
	Plus			Plus		
12.	4% of annualized health care expenditures in excess of \$150 million except those			4% of annualized health care expenditures in excess of \$7.5 million except those paid		
	paid on a capitated or managed hospital payment basis.	\$		on a capitated or managed hospital payment basis.	\$	
	Plus			Plus	•	
12	4% of the annualized hospital expenditures			4% of the annualized hospital expenditures		
13.	paid on a managed hospital payment basis.	\$		paid on a managed hospital payment basis.	\$	
14.	Total	\$	0	Total	\$	7,527
15.	Required "TNE" - Greater of "A" "B" or "C	'\$		Required "TNE" - Greater of "A" "B" or "C"	'\$	53,812

# KNOX -KEENE SUPPLEMENTAL INFORMATION PURSUANT TO SECTIONS 1374.64

# POINT OF SERVICE (POS) "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1						
1. Net Equity	\$ -105,487						
2. Add: Subordinated Debt	\$						
3. Less: Receivables from officers, directors, and affiliates	\$						
4. Intangibles	\$						
5. Tangible Net Equity (TNE)	\$ -105,487						
6. Required Tangible Net Equity (From Line 18 below)	\$						
7. TNE Excess (Deficiency)	\$ -105,487						
ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION:  I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):							
1. Than is required to have and maintain 1112 as required by Ru	(a)(1) 01 (2).						
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$						
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$						
10. Add lines 8 and 9	\$ 0						
II. Plan is required to have and maintain TNE as required by Ru <u>PART A</u>	de 1300.76 (a)(3):						
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 15)	\$						
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$						
13. Add lines 11 and 12	\$ 0						

# POS WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

		1 Full Service Plans	2 Specialized <u>Plans</u>
1.	Health care expenditures for period	\$	\$
	Less:		
2.	Capitated or managed hospital payment basis expenditures		
3.	Health care expenditures for out-of-network services for point-of-service enrollees		
4.	Result	0	0
5.	Annualized		
6.	Reduce to maximum of \$150 million		
7.	Multiply by 8%	\$0	\$ 0
	Plus		
8.	Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$	\$
9.	Line 8 less \$150 million		
10.	Multiply by 4%	\$0	\$ 0
	Plus		
11.	Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$	\$
12.	Multiply by 4%	\$ 0	\$ 0
13.	Total	\$0	\$0

		Y.T.D.	Prior Mo Y.T.D.	Change	
100 200	Petty Cash Checking - 1st Business	12,841.00 81,939.00	12,598.00 120,193.00	243.00 (38,254.00)	8.00 9.00
10210 10220	Checking - Unused Checking - First Security Bank	0.00	0.00		10.00 11.00
10230	Checking Wells Fargo	-5,121.00	-5,121.00		12.00
0300 1100	Money Market Account Premium Receivable	976.00 107,368.00	976.00 91,067.00	16,301.00	13.00 14.00
11110	Allowance for Premium Rec Allowance for Other Receivable	-3,560.00 0.00	-3,560.00 0.00		15.00 16.00
11120	Interest Receivable	353.00	360.00	(7.00)	17.00
11130 11140	Other Receivable Accounts Receivable-GMA	400.00 0.00	400.00 0.00		18.00 19.00
11150	Accounts Reveivable-MV	0.00	0.00		20.00
11160 11170	Accounts Receivable - Moon Accounts Receivable - FADP	0.00 93,688.00	0.00 93,688.00		21.00 22.00
11999	Suspense	0.00	0.00		23.00
12100 12110	Prepaid Insurance Supplies Inventory	24,266.00 4,695.00	26,254.00 6,709.00	(1,988.00) (2,014.00)	24.00 25.00
12120 12121	Prepaid Marketing	11,227.00 6,909.00	3,820.00 6,909.00	7,407.00	26.00 27.00
12130	Prepaid Rent Prepaid DOC Expense	6,678.00	6,909.00 8,678.00	(2,000.00)	28.00
12140 12150	Prepaid Expenses Prepaid Capitation	13,492.00 129,412.00	13,476.00 129,977.00	16.00 (565.00)	29.00 30.00
12160	Prepaid Commissions	0.00	0.00		31.00
12170	Prepaid Admin Fees Prepaid Audit	14,446.00 -166.00	14,547.00 0.00	(101.00) (166.00)	32.00 33.00
14100	Fixed Assets	65,357.00	64,300.00	1,057.00	34.00
14200 14900	Leasehold Improvements Accumulated Depreciation	665.00 -35,503.00	665.00 -34,178.00	(1,325.00)	35.00 36.00
17100	Restricted Assets	50,000.00	50,000.00		37.00 38.00
17200 17300	Leasehold Deposits Organization Costs	0.00 225,000.00	0.00 225,000.00		39.00
17310 21100	Accumulated Amortization Accounts Payable	-79,688.00 -31,351.00	-79,688.00 -37,527.00	6,176.00	40.00 41.00
21110	Accrued Capitation	-28,496.00	-19,725.00	(8,771.00)	42.00
21120 21130	Accrued Commission Premium Payable	-8,549.00 0.00	-5,917.00 0.00	(2,632.00)	43.00 44.00
21140	Accrued Interest	0.00	0.00		45.00
21150 21200	Accrued IBNR Claims Payable	-5,283.00 -5,270.00	-5,283.00 -8.871.00	3,601.00	46.00 47.00
21210	Accrued Expenses	-7,054.00	-9,134.00	2,080.00	48.00
21300 21310	Accrued Payroll Accrued Payroll Taxes	-20,302.00 -2,421.00	-16,650.00 -2,052.00	(3,652.00) (369.00)	49.00 50.00
21320 21330	IRA Liab Deferred Rent	0.00 -4,620.00	-1,012.00 -4,774.00	1,012.00	51.00 52.00
21400	Deferred Monthly Premiums	-62,122.00	-74,102.00	11,980.00	53.00
21500 21900	Unearned Annual Premiums Short - Term Note Payable	-348,693.00 0.00	-346,759.00 -2.285.00	(1,934.00) 2,285.00	54.00 55.00
22100	Long Term Debt	-307,000.00	-307,000.00	2,285.00	56.00
22150 31000	Other Payables - PDN Common Stock	0.00 -8,500.00	0.00 -8,500.00		57.00 58.00
32000	Paid - In Capital	-606,500.00	-606,500.00		59.00
33000 41100	Retained Earnings Premium Revenue	720,487.00 -224,213.00	709,021.00	11,466.00	60.00 61.00
41140	Enrollment & Billing Fees	0.00	0.00		62.00
41150 41200	Admin Fee Revenue Other Income	-6,771.00 0.00	0.00	(6,771.00)	63.00 64.00
41300	Interest Income	-681.00	0.00	(681.00)	65.00
51010 51050	Capitation Referral - Endo	108,089.00 3,433.00	0.00	108,089.00 3,433.00	66.00 67.00
51051	Referral - Perio	67.00	0.00	67.00	68.00
51052 51053	Referral - Oral Surgery Referral - Pedo	2,786.00 36.00	0.00	2,786.00 36.00	69.00 70.00
51054 51055	Referral - Ortho Non Contracting Providers	0.00	0.00		71.00 72.00
51056	Referral - Provider Disputes	0.00	0.00		
51070 51100	Out Of Area Emergency Lab Reimbursements	50.00 480.00	0.00	50.00 480.00	72.00 73.00
51190	Peer Review - Q/A Costs	1,469.00	0.00	1,469.00	74.00
60100	Commissions	37,227.00	0.00	37,227.00	75.00
60110 60120	Printing/Copying Postage	1,519.00 2,708.00	0.00	1,519.00 2,708.00	76.00 77.00
60130	Promotions	1,506.00	0.00	1,506.00	78.00
60140 60150	Travel Entertainment	382.00 0.00	0.00	382.00	79.00 80.00
60155	Continuing Educ/Training	0.00	0.00	-	81.00
60160 61000	Meals Other Marketing	0.00 114.00	0.00	114.00	82.00 83.00
61010	Printing	1,581.00	0.00	1,581.00	84.00
61100 61200	Bank Charges Capitation Expense (not used)	1,193.00 0.00	0.00	1,193.00	85.00 86.00
61300 61350	Commission Expense (not used) Admin Fee	0.00	0.00		87.00
61400	Common Area Maintenance	3,666.00 0.00	0.00	3,666.00	88.00 89.00
61500	Computer Expense	329.00	0.00	329.00	90.00
61600 61650	Depreciation Expense Amortization Expense	1,326.00 0.00	0.00	1,326.00	91.00 92.00
61700	DMHC Expense	2,000.00	0.00	2,000.00	93.00
61800 61900	Dues & Subscriptions Electricity	372.00 0.00	0.00	372.00	94.00 95.00
62000	Equipment Rental	114.00	0.00	114.00	96.00
62100 62200	Rent Insurance - Worker's Comp	3,678.00 663.00	0.00	3,678.00 663.00	97.00 98.00
62300	Insurance - Group	3,754.00	0.00	3,754.00	99.00
62400 62500	Insurance - Prof Liab Interest	4,258.00 1,369.00	0.00	4,258.00 1,369.00	100.00 101.00
62600 62700	Laboratory Exp (not used)	0.00	0.00	2.166.00	102.00
62800	Legal & Accounting Misc Expense	715.00	0.00	715.00	104.00
62900 63000	Office Expense Consulting Fees	2,260.00 0.00	0.00	2,260.00	105.00 106.00
63100	Contributions	150.00	0.00	150.00	107.00
67000 67100	Payroll Payroll Taxes	44,446.00 5,543.00	0.00	44,446.00 5,543.00	108.00
67200	SIMIRA	641.00	0.00	5,543.00 641.00	110.00
67500 68000	Printing (not used) Postage	0.00 717.00	0.00	717.00	111.00
68100	Telephone	439.00	0.00	439.00	113.00
68200	Travel	821.00	0.00	821.00	114.00
68300 68400	Meals Entertainment	657.00 0.00	0.00	657.00	115.00 116.00
	Utilities	0.00	0.00	409.00	117.00
68600					
68600 68700	Misc. Taxes & Licenses Continuing Education				
68600 68700 68800 68900	Continuing Education Bad Debt Expense	0.00	0.00	-	119.00 120.00
68600 68700 68800	Continuing Education	0.00	0.00		119.00

11,468.00 - 11,468

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Account ID	Account Description	Current Bal	
10100	Melon MM 60110 Checking - 1st Business	12,841.21 81,938.70	12,841.00 81,939.00
10210	Checking - 1st Business Checking - Unused	0.00	0.00
10220 10230	Checking - First Security Bank Checking Wells Fargo	0.00 -5,121.35	0.00 -5,121.00
10300	Mellon MM 60003	976.19	976.00
11100 11110	Premium Receivable Allowance for Premium Rec	107,367.98 -3,560.00	107,368.00 -3,560.00
11111	Allowance for Other Receivable	0.00	0.00
11120	Interest Receivable	352.79	353.00
11130 11140	Other Receivable Other A/R - Commission Adv's	400.00 0.00	400.00 0.00
11150	Accounts Reveivable-MV	0.00	0.00
11160 11170	Accounts Receivable - Moon Accounts Receivable - FADP	0.00 93,687.77	0.00 93,688.00
11999	Suspense	0.00	0.00
12100	Prepaid Insurance	23,109.53 4,694.84	23,110.00 4,695.00
12110	Supplies Inventory Prepaid Marketing	10,310.71	10,311.00
12121 12130	Prepaid Rent Prepaid DOC Expense	6,909.14 6,678.00	6,909.00 6,678.00
12140	Prepaid Expenses	13,491.59	13,492.00
12150 12160	Prepaid Capitation	129,412.34	129,412.00
12170	Prepaid Commissions Prepaid Admin Fees	0.00 14,446.41	0.00 14,446.00
12180	Prepaid Audit	-166.00	-166.00
14100 14200	Fixed Assets Leasehold Improvements	65,356.60 665.00	65,357.00 665.00
14900	Accumulated Depreciation	-35,503.11	-35,503.00
17100 17200	Restricted Assets Leasehold Deposits	50,000.00 0.00	50,000.00 0.00
17300	Organization Costs	225,000.34	225,000.00
17310 21100	Accumulated Amortization	-79,688.16	-79,688.00
21110	Accounts Payable Accrued Capitation	-31,350.54 -28,495.99	-31,351.00 -28,496.00
21120 21130	Accrued Commission	-8,548.80	-8,549.00 0.00
21140	Premium Payable Accrued Interest	0.00	0.00
21150	Accrued IBNR	-5,283.00	-5,283.00
21200 21210	Claims Payable Accrued Expenses	-5,270.00 -7,054.43	-5,270.00 -7,054.00
21300	Accrued Payroll	-20,302.41	-20,302.00
21310 21320	Accrued Payroll Taxes IRA Liab	-2,421.26 0.00	-2,421.00 0.00
21330	Deferred Rent	-4,620.26	-4,620.00
21400 21500	Deferred Monthly Premiums Unearned Annual Premiums	-67,122.09 -348,693.49	-67,122.00 -348,693.00
21900	Short - Term Note Payable	1,445.46	1,445.00
22100 22150	Long Term Debt Other Payables - PDN	-307,000.00 0.00	-307,000.00 0.00
31000	Common Stock	-8,500.00	-8,500.00
32000 33000	Paid - In Capital	-606,500.00	-606,500.00 709,022.00
41100	Retained Earnings Group Premium	709,021.91 -100,231.44	-218,992.00
41140	Enrollment & Billing Fees	-221.00	-221.00
41150 41200	Admin Fee Revenue Other Income	-6,770.93 0.00	-6,771.00 0.00
41300	Interest Income	-680.92	-681.00
51010 51050	Capitation Referral - Endo	108,088.71 3,433.00	108,089.00 3,433.00
51051	Referral - Perio	66.50	67.00
51052 51053	Referral - Oral Surgery Referral - Pedo	2,786.01 35.56	2,786.00 36.00
51054	Referral - Pedo Referral - Ortho	0.00	0.00
51055 51056	Non Contracting DDS	0.00	0.00
51070	Provider Disputes Out Of Area Emergency	50.00	50.00
51100	Lab Reimbursements	480.00	480.00
51190 60100	Peer Review - Q/A Costs Commissions	1,468.50 37,226.80	1,469.00 37,227.00
60110	Printing/Copying	1,518.76	1,519.00
60120 60130	Postage Promotions	2,708.21 1,506.18	2,708.00 1,506.00
60140	Travel	699.06	699.00
60150 60155	Entertainment Continuing Educ/Training	0.00	0.00
60160	Meals	-74.02	-74.00
61000	Other Marketing Printing	1,029.58 1,581.47	1,030.00 1,581.00
61100	Bank Charges	1,193.11	1,193.00
61200	Capitation Expense (not used)	0.00	0.00
61300 61350	Commission Expense (not used) Admin Fee	3,666.35	0.00 3,666.00
61400	Common Area Maintenance	0.00	0.00
61600	Depreciation Expense	1,325.57	1,326.00
61650	Amortization Expense	0.00	0.00
61700 61800	DMHC Expense Dues & Subscriptions	2,000.00 372.25	2,000.00 372.00
61900	Electricity	0.00	0.00
62000 62100	Equipment Rental Rent	114.19 3,677.95	114.00 3,678.00
62200	Insurance - Worker's Comp	663.00	663.00
62300 62400	Insurance - Health Insurance - Prof Liab	3,753.84 3,968.74	3,754.00 3,969.00
62500	Interest	1,368.88	1,369.00
62600 62700	Laboratory Exp (not used) Legal & Accounting	0.00 2,166.00	0.00 2,166.00
62800	Misc Expense	715.01	715.00
62900 63000	Office Expense Consulting Fees	2,259.71	2,260.00 0.00
63100	Contributions	150.00	150.00
67000 67100	Payroll Payroll Taxes	44,446.12 5,543.40	44,446.00 5,543.00
67100 67200	Payroll Taxes SIMIRA	5,543.40 641.10	5,543.00 641.00
67500	Printing (not used)	0.00	0.00
68000 68100	Postage Telephone	717.17 179.89	717.00 180.00
68200	Travel	839.11	839.00
68300 68400	Meals Entertainment	656.59 0.00	657.00 0.00
68600	Utilities	0.00	0.00
68700 68800	Misc. Taxes & Licenses Continuing Education	408.64 0.00	409.00 0.00
68900	Bad Debt Expense	0.00	0.00
7000 81100	Non Tax Deductable Federal Income Taxes	0.00	0.00
81200	State Income Taxes	0.00	0.00
	T-4-1		
	Total:	0.00	